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S E C R E T SECTION 01 OF 05 SHANGHAI 000470

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SUBJECT: DEMOCRATIC OR SCIENTIFIC SOCIALISM--XIE TAO AND THE EAST
CHINA PERSPECTIVE

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CLASSIFIED BY: Simon Schuchat, Deputy Principal Officer, U.S.
Embassy, Beijing, Department of State.
REASON: 1.4 (b), (c), (d)

11. (S) Summary: An internal poll showed that average people and scholars were almost evenly divided in their support for an article written by retired scholar Xie Tao, which advocated that China adopt a democratic socialism model that included multi-party democracy. Contacts who followed this debate agreed that the longevity and intensity of the debate, as well as President Hu Jintao's June speech to the Central Party School, indicated that political reform and democratization would be the major theme of this fall's Party Congress. They were split, however, on what form the leadership intended democratization to eventually take. Some argued that democracy would only be implemented within the confines of one party rule under the CCP in accordance with the tenets of "scientific socialism." Others argued that scientific socialism was a politically necessary slogan but that the de facto result of the groundwork that would be laid at the Party Congress would be the eventual creation of a multi-party system. End summary.

Xie Tao and Democratic Socialism

12. (SBU) On February 1, former Renmin University Vice President Xie Tao wrote an article titled "The Democratic Socialist Model and the Future of China" published in the Yanhuang Chunqiu (Ref A). Xie's article launched a debate in Chinese academic circles over what path China's political reform should take, with articles on both sides of the issue published in major papers and journals. (REF B). Xie advocated dispatching China's Leninist political system in favor of a democratic socialist system, such as that in use in Sweden. Xie implied that there was nothing to fear in allowing the CCP's ideals to compete in democratic elections. Through "correct policy initiatives to represent the interests of the masses," a true socialist party would "be elected to the government time and after..."

Protecting the Blooming Flowers

13. (S) During a July 6 discussion, Shanghai Municipal People's Congress researcher Zhou Meiyan said that in June, the Chinese Academy of Social Sciences (CASS) conducted a survey to plumb public reaction to Xie's article. The survey showed that more than 50 percent of the general public supported Xie's article, while slightly less than 50 percent disagreed with him. The survey also found that 20 percent of Chinese scholars supported Xie's position, while another 20 percent strongly disagreed. The remaining sixty percent believed that supporting or disagreeing with Xie was irrelevant. What was important for them was that the discussion was allowed to take place. As a side note, Zhou said that the CASS survey found that only scholars over 60 had actively participated in the debate.

14. (S) During a June 25 discussion, Nanjing University Professor Gu Su explained that President Hu Jintao himself had not taken a side in the debate, but had still done a great service in protecting the space for the debate to occur. Zhou said that there had been a strong outpouring of anger directed against Xie from party leftists accusing him of betraying the party and calling for him to be punished. Zhou said that in June, the internal version of the People's Daily published a central government directive referred to as the "Three Nos." These included: no criticism of Xie Tao would be allowed; discussion of his article was not to expand further; and Xie would not be punished for his article.

15. (C) During a June 26 discussion, Shanghai Academy of Social Sciences (SASS) Professor Cheng Weili affirmed that Xie would not be persecuted for his writings. Cheng argued, however, that there was no need for Hu to "protect" the space for the debate since Chinese society had already advanced to the point where scholars did not need to fear reprisals for expressing their opinions. Cheng pointed to the party's focus on harmony as evidence of this. When dissected into their component radicals, the Chinese characters for "harmony" meant everyone had food to eat and everyone could speak freely.

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Xie Tao: Love Him or Hate Him

16. (C) Our contacts, like those in the CASS survey, were divided on their opinions of Xie's article. SASS, Shanghai Party School (SPS), and China Executive Leadership Academy Pudong (CELAP) scholars dismissed Xie's notions as poor scholarship and liberal propaganda. SASS Professor Cheng said that Xie's article was too "shallow" and suggested Gao Fang's May 31 article titled "A Hundred Years of Division and Unity Between Scientific Socialism and Democratic Socialism" and Yu Keping's June 19 article titled "The Average Notion of Marx's Discourse on Democracy; Universal Value and Common Shape" as "representative of the deep thinking of Chinese scholars." Others seemed more favorably disposed, with Gu Su and Zhou Meiyan--both self professed reform advocates--crediting Xie's article as having had some influence with Hu Jintao.

Democratic Versus Scientific Socialism

17. (SBU) During a June 26 discussion, CELAP Professor of Scientific Socialism Liu Xian explained that the "democratic socialism" Xie was advocating was at odds with the "scientific socialism" path that China had followed since its establishment in 1949 (Note: Outside of China, many scholars refer to "scientific socialism" as "revolutionary socialism." End note.). Democratic socialism advocated the gradual change from a capitalist to socialist system through utilizing democratic institutions, while scientific socialism advocated a complete overthrow of the capitalist system through revolution.

18. (SBU) During a separate June 26 discussion, SPS Professor

Shi Qinghao also noted that whereas scientific socialism advocated public ownership of the means of production, democratic socialism employed a mixed ownership model. Scientific socialism was directed by Marxism and had the eventual establishment of a communist society as its end goal. Democratic socialism, on the other hand, could be driven by a host of different ideologies, including humanitarianism and religion, and did not necessarily have a specific end goal. According to SPS Professor Huang Congren, another key fundamental difference between the two was that scientific socialism relied on the core leadership of a communist party whereas democratic socialism stressed multi-party democracy as the foundation.

Scientific Socialism--Chinese Style

¶9. (SBU) During a June 26 discussion, CELAP Professor Liu Jingbei said the Chinese Communist Party (CCP) had only adopted the spirit of scientific socialism, not the letter, meaning that the CCP was flexible in terms of adapting to meet the realities of China's social and historical context. Politically, socialism with Chinese characteristics meant maintaining the principle of the leadership monopoly of the CCP while maintaining a consultative relationship with the eight "participating" parties (Ref C) (Note: This refers to China's eight "democratic" parties that work with the CCP through the mechanism of the Chinese People's Consultative Conference (CPPCC). End note.). Economically, it meant holding to the principle of making public ownership the mainstay, supplemented by multiple ownership systems. During a 26 June discussion, former SASS professor Xia Yulong argued that socialism with Chinese characteristics was flexible enough to be able to adopt the "best practices" of democratic socialism while still retaining its scientific socialist nature.

17th Party Congress: Staying the Scientific Path?

¶10. (C) SPS's Chen said major debates prior to a Party Congress were a sign of things to be discussed at the Party Congresses and that the Xie Tao debate signaled that political reform would be the main topic of this fall's meetings. Liu Jingbei agreed that political reform and democracy would feature prominently in the Party Congress. Liu pointed to the June 25 speech Hu made at the Central Party School, saying that Hu's speech mapped out the party's strategy for political reform (Ref B). Liu believed the speech also made it clear that the debate on the future of

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reforms had been resolved and the discussion over democratic socialism had ended. Hu had unequivocally laid out that China would retain the basic principle of scientific socialism and building socialism with Chinese characteristics.

¶11. (C) During a June 26 discussion CELAP International Exchange and Program Department Director General Jiang Haishan, just because the CCP opposed democratic socialism, this did not mean that it opposed democracy. Indeed, strengthening democracy and rule of law within China's socialist system would be a main part of the Party Congress. SPS Professor Chen said that political reforms had been pushed to the back of the line for the past 20 years in favor of economic reforms. However, they were now at the front and could no longer be ignored. China must have political reforms, those reforms must support Marxism, scientific socialism, and China's current reality. The reforms must be from all angles, including intra party democracy, consultative democracy, grass roots elections, and others. Jiang opined that intra-party competition ought to be based on debate among groups with different ideas within the party rather than dismissed the idea that there would be set factions that developed out of different opinion groups.

¶12. (C) Xia likewise insisted that the 17th Party Congress

would focus on political reform and democracy, but it might not lay out specifically what those two terms meant. The party would move forward on reform, but it would do so in a manner that preserved the concept of harmony. Democratic development, Xia said, had four aspects that it needed to address, including democratic elections, democratic decisionmaking, democratic management, and democratic supervision. Among these, democratic supervision needed to be addressed first in order to curb corruption. To do so, media and supervision organs needed independence

¶13. (C) None of the SPS, SASS, or CELAP contacts believed that China needed multi-party democracy to implement its democratic changes. According to Liu Jingbei, multiparty democracy should not be adopted. It had been tried in the past in China and had led to chaos since everyone wanted to be "number one." Liu also argued that China would not adopt a three way separation of powers, but that it would strengthen its current National People's Congress and Chinese People's Political Consultative Conference systems (CPPCC) (Ref C).

¶14. (S) SASS Professor Cheng asserted that in his Party School speech, Hu had raised the issue of "permanent tenure" in office for party representatives, making the Party Congress more of a democratic body with real use (Note: Although Cheng attributed this information to Hu's Party School speech, it does not appear in the official read out, suggesting that Cheng had access to an internal version of the speech that had more detail or that he had received the information from someone who had attended the speech. End note.). Hu suggested making the representatives' terms last for five years and having them hold annual meetings. These representatives' functions would be to receive questions and suggestions from their constituencies and bring concerns to the annual meeting. Deng had first raised this idea at the 8th Party Congress but had been forced to withdraw it due to an anti-rightist movement at the time. (Comment: As it currently stands, outside of a few experimental locations, party representatives met only once every five years to "elect" the party leadership during the Party Congress and then disbanded. It is unclear how strengthening the Party Congress system would impact or overlap the People's Congress system. It was also unclear from Cheng's comments whether Hu intended only to implement this program nation-wide at the local level, or if he also intended to implement the system with the central-level Party Congress as well. End comment.)

Or Putting China On the Path to Democratic Socialism?

¶15. (C) During a July 5 discussion, Shanghai University Professor and reform advocate Zhu Xueqin noted that what was reported from the speech actually gave no clear indication of what the party intended. Leftists were happy with Hu's reassurance that China would continue the "scientific socialism" path, while rightists were satisfied with Hu's promise of greater democratization. Zhu saw this as a demonstration of Hu's unwillingness to make a hard decision on the issue. SMPC's Zhou noted that it was impossible to know exactly what was said during Hu's speech since it had been forbidden to be recorded. What had come out in the press was a carefully constructed

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document that said precisely what the party wanted disseminated, suggesting that perhaps it was intentionally vague.

¶16. (C) Although personally unconvinced that Hu was at heart a democratic socialist, Zhou noted that Hu could not help but start bringing China down the path of democratic socialism. While he might want to push it onto his successors, Hu's decision to tackle current problems such as fixing the social safety net or welfare payments, and the means he was using to so do meant that Hu was de facto changing China's style of socialism.

¶17. (C) Gu was likewise confident that China would eventually

take the democratic socialist path; it was just a question of time. While Hu was not necessarily himself a democratic socialist, he was pragmatic and understood that China would eventually need to democratize. When Hu was President of the Party School, he sent several delegations to Germany and Sweden to study their political systems and learn from democratic socialism. Gu said that it was significant that Hu chose to visit Sweden during his June trip to Germany--the first head of state visit to Sweden since the two countries normalized relations 57 years ago. Gu took it to be a symbol or gesture of what Hu intended over the long term. Zhou also noted it was significant that on July 6, Hu met with the Chairman of the European Socialist Party, the leading pan-European democratic socialist party.

¶18. (C) Gu believed Hu was more intent on laying the theoretical and ideological groundwork for an eventual shift to democratic socialism rather than actually carry it out. The so-called "Fifth Generation" of leaders, such as Jiangsu Party Secretary Li Yuanchao and Liaoning Party Secretary Li Keqiang,

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or even the "Sixth Generation" might be the ones to move reforms forward in a more noticeable manner. Hu was more of an "old school" socialist than the two Lis and was more sensitive to all sides of the debate. The more party conservatives diminished in influence, the greater Hu's leeway and willingness to implement faster political reforms would be. To that end, Gu explained that the more the United States could do to keep conflict and tension out of the U.S.-Sino relationship, the less ammunition leftists would have to criticize political reform and the more space and ability Hu would have to implement democratic reforms.

¶19. (C) Unlike CELAP's Jiang Haishen, Gu opined that the eventual establishment of the multiparty system needed for true democratic socialism would likely grow out of preexisting cleavages within the party itself. Some scholars were now arguing that Jiang Zemin's inclusion of entrepreneurs into the party in effect inadvertently laid the groundwork for an eventual factional rift within the party. Indeed, many veteran party members refused to accept entrepreneurs as genuine party members, leading to a sort of factional divide. Moreover, Hu was opening the door for greater participation from non-party members by selecting some of them to fill ministerial slot.

¶20. (S) Zhou claimed that there were already organized factions forming within the party, divided by left and right, which held periodic meetings. The rightists, or those inclined toward political reform, were headed by prominent and highly-respected veteran party leader and former staff member to top leaders Li Rui, military veteran and party elder Xiao Ke, and retired scholar Gao Fang among others. Leading leftists in the organization included former Hubei Governor Li Erzong, who was well into his 90s, and current CASS Political Studies Institute Director Wang Yichen. Zhou said that these organizations were formed of scholars and retired leaders and that no acting leaders participated in their meetings.

¶21. (C) Zhou also noted that there had been experiments in intra-party democracy that could pave the way for multi-party democracy. Jiangsu and Sichuan had been experimenting over the past few years with direct elections of party bosses below the provincial level. These elections had expanded slates of candidates and allowed for people to self-nominate. The fact that these experiments had continued and expanded led Zhou to conclude that they might be implemented nationwide after or at the Party Congress. Zhou admitted she was optimistic in this regard, however, and noted that there was some contradicting evidence. For instance, while some of these experiments were moving forward, others--some having been run for years--had been unceremoniously shut down. Zhou also noted that some of the budget experiments that had been run in Zhejiang's Wenling might be shut down as the Province sought to take some budget authority out of the localities and move it to the provincial

level. During a June 26 discussion, Tongji University Professor Frank Peng noted that whatever came out of the Party Congress would likely be small steps. However, in the context of China's current political system, even small steps were a huge improvement.

Zeng Qinghong: Reformer or Reactionary?

¶22. (C) As an aside, Gu said he was skeptical about Vice President Zeng Qinghong's commitment to political reform, noting that Zeng was a complicated figure. The highest-ranked princeling, Zeng was seen as the successor to the conservative element within the party. As such, he needed to be an orthodox figure. However, Zeng was also relatively open minded and understood that China needed to Change. Zeng "controlled" the Organization Department--in charge of recommending people for advancement to the vice governor level and above--and had used that position to "do something on reforms." Gu noted that there was too much hatred of Zeng's orthodox side among reformers for them to accept him as a "real socialist democrat."

Comment: Can't Call a Spade a Spade

¶23. (C) It is unclear from Hu's speech exactly what path China intends to take with political reform and will likely remain unclear for quite some time--perhaps well after the 18th Party Congress. However, it appears that China is moving towards introducing greater levels of public participation and democratic practices. While it is quite possible that the eventual long-term establishment of a socialist democratic state could emerge, the CCP can ill-afford to call it such, at least at this stage. As many of the contacts pointed out, China came to power as a revolutionary party. As such, "scientific socialism"--with its one party rule and ultimate vision of the establishment of communism--is seen as integral to the Party's identity. Open refutation of the "scientific socialism" concept in favor of the path not taken (i.e. democratic socialism) would be tantamount to an open acknowledgment of the irrelevance of the CCP or at least the illegitimacy of the party's singular control of the political system. At this point, the party appears unwilling to mince words in a way that would leave it vulnerable to power sharing, despite what its de facto actions may or may not be.

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